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SUBJECT: VAZQUEZ DELIVERS CLEAR PUBLIC SIGNAL OF SUPPORT
FOR AN FTA WITH U.S. WHILE ON OFFICIAL VISIT TO MEXICO

¶1. On an official visit to Mexico prior to his arrival in the U.S. on April 30, President Vazquez delivered his clearest-yet public signal of support for an Uruguay-U.S. bilateral Free Trade Agreement (FTA). In the press conference that followed his meeting with Mexican President Fox, Vazquez first reiterated his Summit of the Americas statement that the conditions for an FTAA were not yet propitious, due to "protectionist policies", but added that "this does not mean we are not working to achieve an FTAA some day, if these conditions changed."

¶2. Vazquez moved a step further, stating that "the political force in government does not see any impediment to working on a Free Trade Agreement as we have done with our Mexican brothers, and we are working in this respect." He stressed that Mercosur's regional process of integration "does not mean we have to renounce bilateral agreements with other countries." Vazquez then clarified that bilateral FTAs with third countries would be done "within the norms of Mercosur, which contemplate specific exceptions in this respect."

¶3. While admitting that Mercosur was going through one of its "worst moments" and was not beneficial for Uruguay in its present state, Vazquez stressed that Mercosur continued to be a strategic priority for the GOU. He advocated for a Mercosur benefiting all of its members and called for an expansion to include new members such as Mexico (Note: Mexico's long-standing request for membership is being resisted by Brazil. End Note.)

¶4. Back in Uruguay, the three largest business chambers issued a joint statement on April 26, urging the GOU to negotiate an FTA with the U.S., emphasizing the importance of the U.S. market for Uruguay. In a business roundtable on the same day, ex-Presidents Sanginetti (Colorado) and Lacalle (Blanco) also urged the GOU to focus on bilateral trade agreements, be it with the U.S., China or Japan, while continuing to work on a "better Mercosur". They stressed the "grave crisis" facing the trading bloc.

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